

BLUE CROSS OF NORTHEAST OHIO
FINANCIAL AND STATISTICAL STATEMENTS
DECEMBER, 1961

BOARDS

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EXHIBIT A

ASSETS
December 31, 1961

CASH

Deposits in Commercial Accounts.....	\$ 3,929,033.82	
Savings Deposits at Interest.....	521,470.04	
On Hand.....	<u>650.00</u>	\$ 4,451,153.86

INVESTMENTS

United States Government Securities.....	17,860,497.20	
Public Utility & Industrial Securities.....	275,586.91	
F.H.A. Insured Mortgages.....	<u>248.61</u>	18,136,332.72

<u>ACCRUED INTEREST</u>		170,384.17
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ACCOUNTS RECEIVABLE

Group Subscribers.....	1,486,849.98	
Medical Mutual of Cleveland, Inc.....	90,217.64	
Ohio Medical Indemnity, Inc.....	16,267.07	
Advances for Other Service Plans.....	67,358.25	
Inter-Plan Service Benefit Bank.....	296,266.34	
Prepaid Premiums - Employees' Retirement Plan..	<u>45,597.05</u>	2,002,556.33

<u>TOTAL ADMITTED ASSETS</u>		<u>\$24,760,427.08</u>
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MEMORANDUM ACCOUNT - NON-ADMITTED ASSET:

Air Travel Deposit.....	\$ <u>425.00</u>	
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EXHIBIT B

LIABILITIES AND RESERVES

December 31, 1961

UNEARNED INCOME (LEGAL RESERVE)..... \$ 5,460,763.46

DUE HOSPITALS FOR ACCRUED BILLINGS, INCOMPLETE,
UNDISCHARGED AND UNREPORTED CASES..... 7,994,902.56

DUE HOSPITALS FOR ADJUSTED PAYMENTS

Payments (or Refunds) required to adjust
tentative payments to audited rates:

First Half, 1961.....(A) \$2,171,766.98

Last Half, 1961 (Preliminary).....(A) 2,852,000.00

Total Due Hospitals..... 5,023,766.98

ACCOUNTS PAYABLE, ACCRUED ACCOUNTS, AND OTHER LIABILITIES

General Accounts Payable..... 70,388.23

Deposit for F.E.P. Claims..... 50,000.00

Unclaimed Checks..... 35,606.72

Ohio Medical Indemnity, Inc..... 9,419.97

U.S. Taxes Withheld from Employees..... 27,528.39

Deposited for Purchase of U.S. Savings Bonds.... 762.59

Federal and State Social Security Taxes..... 10,655.73

Accrued Employees' Compensation..... 20,000.08

Reserve for Employees' Retirement Plan..... 15,000.00

239,361.71

RESERVE FOR CONTINGENCIES..... 6,041,632.37

TOTAL LIABILITIES AND RESERVE..... \$24,760,427.08

Total Persons Protected..... 1,780,567

Contingencies Reserve Per Capita..... \$3.39

Contingencies Reserve In Months of

Hospital and Administrative Expense..... .87

(A) Current Hospital Billings are paid at tentative rates, and Adjusted Payments (or Credits) as shown above at (A) are due at the close of each six-month period to adjust these tentative payments to hospital audited costs of service rendered to Subscribers.

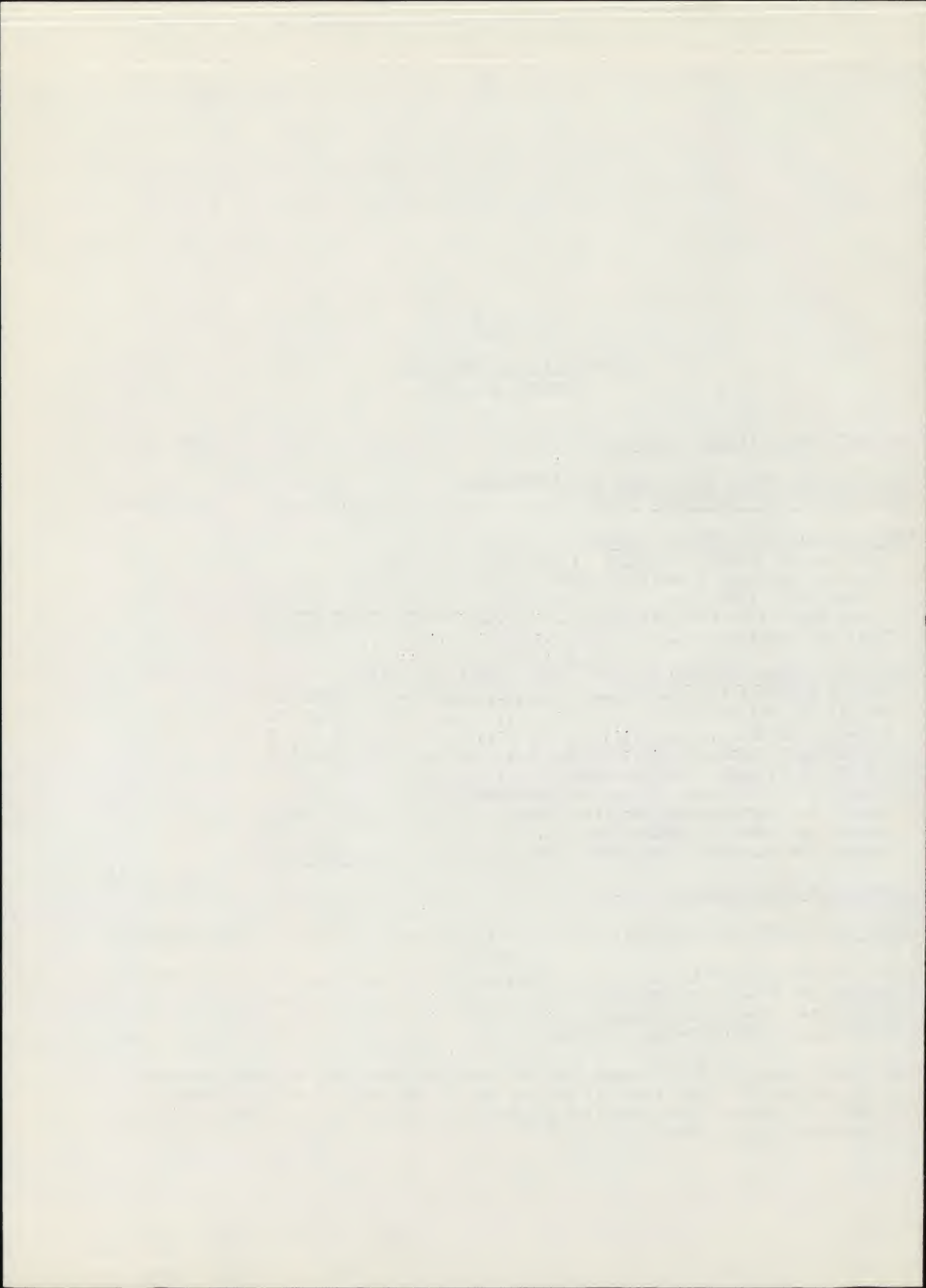


EXHIBIT C

STATEMENT OF INCOME AND EXPENSE
December, 1961

	<u>DECEMBER</u>	<u>FIRST HALF</u>	<u>LAST HALF</u>	<u>YEAR TO DATE</u>
<u>INCOME</u>				
Earned Income from Subscribers.....	\$7,080,041.21	\$40,283,113.41	\$42,305,076.13	\$82,588,189.54
<u>EXPENSE</u>				
Administrative Expense.....	176,872.31	975,226.50	915,353.60	1,890,580.10
	6,903,168.90	39,307,886.91	41,389,722.53	80,697,609.44
<u>HOSPITAL SERVICES</u>				
Estimated Incurred Claims for Hospital Care at Tentative rates.....	6,407,700.00	36,970,662.96	38,216,200.00	75,186,862.96
Adjustment to Estimated Audited Hospital Rates.....	405,200.00	2,171,766.98	2,852,000.00	5,023,766.98
Total Hospital Costs.....	6,812,900.00	39,142,429.94	41,068,200.00	80,210,629.94
Less: Refunds covering Compensation Claims, etc.....	10,329.57	112,611.01	97,427.81	210,038.82
	6,802,570.43	39,029,818.93	40,970,772.19	80,000,591.12
<u>TO CONTINGENCIES RESERVE-FROM SUBSCRIBER INCOME</u>	100,598.47	278,067.98	418,950.34	697,018.32
<u>OTHER INCOME AND ADJUSTMENTS</u>				
Income from Investments.....	69,761.49	301,610.68	347,008.20	648,618.88
Alteration Expense.....	607.28	2,715.04	3,599.33	6,314.37
	70,368.77	304,325.72	350,607.53	654,933.25
<u>TO CONTINGENCIES RESERVE</u>	\$ 170,967.24	\$ 582,393.70	\$ 769,557.87	\$ 1,351,951.57
<u>ADJUSTMENT TO CONTINGENCIES RESERVE DUE TO DETERMINATION OF ACTUAL HOSPITAL SERVICES INCURRED, 1960</u>	-0-	220,043.43	-13,256.12	206,787.31
<u>TOTAL ADDITION TO CONTINGENCIES RESERVE...</u>	\$ 170,967.24	\$ 802,437.13	\$ 756,301.75	\$ 1,558,738.88

EXHIBIT D

ADMINISTRATIVE EXPENSE

December, 1961

<u>EXPENSE</u>	<u>FOR THE MONTH</u>		<u>CUMULATIVE</u>	
	<u>1961</u>	<u>1960</u>	<u>1961</u>	<u>1960</u>
Salaries - General.....	\$116,493.34	\$120,242.25	\$1,495,075.61	\$1,433,814.73
Salaries - Branch Office.....	4,886.51	4,958.43	60,499.67	58,599.58
Travel.....	893.34	574.93	11,910.26	14,697.23
Automobile Expense.....	2,590.83	2,180.34	30,190.33	28,563.43
Rent and Light.....	17,506.19	16,798.16	208,581.89	200,381.87
Association Dues.....	2,929.00	2,936.00	42,835.00	46,686.25
Legal Expense.....	25.00	25.00	17,136.85	11,505.48
Furniture and Equipment.....	6,022.30	6,999.30	34,385.75	34,235.94
Equipment Rental.....	11,985.81	10,454.50	144,794.22	125,487.39
Printing, Stationery & Supplies.	13,694.62	31,269.90	193,496.88	193,413.50
Books and Periodicals.....	427.79	221.24	2,813.71	2,266.52
Postage and Express.....	7,917.15	9,062.68	83,914.60	92,360.42
Telephone and Telegraph.....	6,043.82	6,312.45	75,306.89	76,444.63
Collection (Bank Charges).....	1,988.60	2,446.85	25,815.32	26,794.05
Advertising.....	2,410.78	2,549.60	64,452.39	66,852.72
Insurance - General.....	5.86	5,366.16	15,007.84	11,665.27
Employee Welfare.....	15,245.08	14,624.17	182,060.97	169,606.49
Auditing & Actuarial Services...	750.00	899.43	9,500.00	9,243.49
Auditing - Hospitals.....	10,962.15	8,389.45	99,600.33	85,577.18
Mailing Services.....	1,448.07	940.15	12,612.55	9,988.09
Service Charges-Inter-Plan Bank.	3,795.00	3,399.00	45,631.19	42,564.00
Special Contract Expense.....	312.61	-23.04	2,468.81	744.16
Miscellaneous.....	5,189.56	6,269.64	76,843.41	95,619.54
Citizens' Committee Study.....	-0-	72.81	1,924.05	19,891.06
Hospital Facilities Survey.....	30,000.00	-	30,000.00	-
	<u>\$263,523.41</u>	<u>\$256,969.40</u>	<u>\$2,966,958.52</u>	<u>\$2,857,003.02</u>
Less: Service Charges:				
Medical Mutual of Cleve., Inc...	67,615.48	71,907.65	825,572.26	785,003.36
Ohio Medical Indemnity, Inc....	15,659.79	14,760.25	189,807.91	167,605.38
Inter-Plan Bank.....	2,319.00	2,280.00	27,450.00	25,419.00
Medicare Program.....	222.83	400.00	4,488.07	2,911.88
Federal Employees' Program.....	834.00	2,000.00	29,060.18	4,810.00
	<u>\$ 86,651.10</u>	<u>\$ 91,347.90</u>	<u>\$1,076,378.42</u>	<u>\$ 985,749.62</u>
	<u>\$176,872.31</u>	<u>\$165,621.50</u>	<u>\$1,890,580.10</u>	<u>\$1,871,253.40</u>
Percentage of Expense				
to Income.....	2.50	2.77	2.29	2.58



